



SIOC
**COMMUNITY
DEVELOPMENT
TRUST**

Defining ourselves through **our actions**,
not our words

REQUEST FOR PROPOSAL (RFP)

**APPOINTMENT OF A SERVICE PROVIDER TO RENDER INTERNAL AUDIT SERVICES FOR A PERIOD
OF THREE YEARS (36 MONTHS)**

NO COMPULSORY BRIEFING

CLOSING DATE:

10 OCTOBER 2023

TIME: 12H00



<https://sioc-cdtethicsdefender.com/>

ETHICS DEFENDER

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THE WORKPLACE? PLEASE SCAN THE QR CODE TO REPORT**

1. WHO WE ARE

SIOC Community Development Trust (SIOC-CDT) was established in 2006 by Sishen Iron Ore Company SIOC (PTY) LTD (owned by Kumba Iron Ore (KIO) (PTY) LTD) to invest in the development of the communities in which SIOC (PTY) LTD operates. The Trust focuses primarily on beneficiary communities adjacent to the SIOC (PTY) LTD mining activities in the Northern Cape and Thabazimbi Local Municipality situated in the Limpopo Province. We have invested significantly in community development projects aimed at ensuring sustainability beyond mining operations.

Our beneficiary communities are located within the underneath municipal jurisdictions:

- Gamagara Local Municipality, Northern Cape;
- Ga-Segonyana Local Municipality, Northern Cape;
- Tsantsabane Local Municipality, Northern Cape;
- Joe Morolong Local Municipality, Northern Cape; and
- Thabazimbi Local Municipality, Limpopo.

2. MANDATE

To manage, invest and disburse funds on behalf of our beneficiary communities in accordance with the guidelines as provided by the Board of Trustees and prescribed by the SIOC-CDT Trust Deed.

3. VISION

Beneficiary communities have sustainable income and are empowered to thrive beyond the lifespan of the mine.

4. MISSION

Implement sustainable socio-economic initiatives through partnering with key stakeholders.

5. VALUES

- **We are committed to building healthy trustworthy relationships**
- **We are inclusive and transparent in decision making**
- **We are accountable to our stakeholders**
- **We are compassionate towards our beneficiaries**

6. PROJECT PURPOSE

The purpose of this document is to present the Terms of Reference for the appointment of an independent internal audit service provider with the requisite expertise and track record that is able to provide and maintain a professional and comprehensive internal audit service function to the Board of Trustees of the SIOC Community Development Trust (SIOC-CDT).

The successful service provider will be appointed for a period of three years (36 months), commencing from the date of appointment and the signed Service Level Agreement.

7. OBJECTIVES

- 7.1 An effective Internal Audit function is meant to serve as corporate conscience and that as professional auditors, they must drive operational efficiency, internal controls, corporate governance and risk management. The service provider is expected to educate and make relevant recommendations to SIOC-CDT Management, the Board of Trustees, and to support SIOC-CDT in achieving its strategic goals and objectives.
- 7.2 The service provider is expected to have requisite knowledge, skills, and sufficient capacity to perform the assignment pursuant to the requirements of the International Standards for the Professional Practice of Internal Audit and have an in-depth knowledge of the latest standards set by the International Financial Reporting Standards (IFRS) and Generally Recognised Accounting Practice (GRAP).
- 7.3 The Internal Audit function, although outsourced, must add value and be seen as a governance and assurance tool, that seeks to enhance the internal controls environment at a reasonable cost, as well as ensuring compliance to applicable legislation, policies and frameworks, Risk Management Standards, the Standards of Professional Practice in Internal Audit (SPPIA) as set by the Institute of Internal Auditors, and the Companies Act No. 61 of 1973, as amended. This would include, amongst others, the application of the principles of the latest King Report on Corporate Governance etc.
- 7.4 The Board of Trustees and Management of the SIOC Community Development Trust requires a proactive Internal Audit function that is independent, understands the importance of corporate governance systems, risk management and use of robust internal audit methodologies and techniques that can function at an executive and operational level.

8. SPECIFICATION OF SKILLS REQUIRED

- 8.1 The service provider must propose a dedicated internal audit team who has a sound understanding of internal audit methodologies and techniques with practical experience on similar assignments, as well as a strong knowledge, skills and understanding of Public Benefit Organisations (PBO's) and Investment Management processes, systems and practices.
- 8.2 The Engagement Partner/s must have a professional qualification of Chartered Accountant CA(SA) and/or Certified Internal Auditor (CIA) and with honours degree in internal audit.
- 8.3 The Internal Audit manager must have a professional qualification of Certified Internal Auditor (CIA) and with degree in internal audit or similar.

- 8.4 The Internal Auditors must have Internal Audit Technician (IAT) and or Professional Internal Audit (PIA) Certification.
- 8.5 Submission of an external Quality Assessment Report on previous work conducted.
- 8.6 Specialised skills which entails but is not limited to forensic audit and investigations as required.
- 8.7 IT and Cyber audit (minimum membership with ISACA and CISA certification).
- 8.8 Forensic investigations training and certification.
- 8.9 Membership with the following professional institutions, i.e. IIA SA, ACFE, ISACA, SAICA, IRMSA, CISA or IRBA.

9. OWNERSHIP OF WORKING PAPERS

- 9.1 The Board of Trustees shall retain ownership of all working papers, charters and methodologies used during the period of appointment.
- 9.2. The paperwork generated in line with the scope of work must be processed in line with the Protection of Personal Information Act.

10. SCOPE OF WORK AND PROJECT DELIVERABLES

- 10.1. Developing an annual audit plan and three-year rolling plan for the Board of Trustees based on the risk assessment results through discussion and agreement with EXCO, Risk and Compliance and External Audit, including the budget and costing of the plan. This will be completed on an annual basis.
- 10.2 Submitting the audit plans to the Executive Committee (EXCO) and the Group Audit and Risk Committee for approval.
- 10.3 Executing the approved annual audit plan as it relates to the period of service in accordance with the Standard for the Professional Practice of Internal Auditing.
- 10.4 Reporting the results of audits to the Line Management, Risk and Compliance, EXCO and the Audit and Risk Committee (ARC) of the Board of Trustees.
- 10.5 Auditing the achievement of targets as per the Monitoring and Evaluation Framework of the projects department.
- 10.6 Performing any ad hoc request(s) subject to approval of the Audit and Risk Committee (ARC) of the Board of Trustees.
- 10.7 Reporting the results of reviews and the progress against plan at each Group Audit and Risk Committee (GARC) meeting.
- 10.8 Full management and administration of the internal audit function.
- 10.9 Conducting the internal audit assignments in terms of IIA Standards.
- 10.10 Provide assurance on any adhoc project as requested by Management or the Board of Trustees.
- 10.11 The following are the minimum business processes/auditable areas to be covered in the three-year rolling plan, however not limited to:

Table 1: Business processes/auditable areas

#	Business process / Auditable area	Audit review frequency
Management of the Internal Audit Function		
1.	Preparation of three-year rolling plan and annual operational audit plan	Annually
2.	Preparation of internal audit pack and attending EXCO, Group Audit and Risk Committee meetings.	Quarterly
3.	Review of the Internal Audit and Group Audit and Risk Committee Charters	Annually
Business Area/Auditable area		
4.	Review of Head office Internal Financial Controls	Annually
5.	Review of Urban Hotel Kathu Internal Financial Controls	Annually
6.	Review of Investment Management Internal Controls	Annually
7.	Review of programme management Internal Controls (Infrastructure; Health and Welfare; Enterprise Development; Education etc)	Annually
8.	Human Resources Management	Annually
9.	Legal Compliance Management	Twice in three years
10.	Corporate Governance (Trust Deed Compliance, King IV, and Ethics Management)	Twice in three years
11.	Information Technology General Controls (ITGC)	Twice in three years
12.	Information Technology – Application Controls Review	Twice in three years
13.	Information Technology – Cyber Security	Twice in three years
14.	Information Technology – Governance	Twice in three years
15.	Risk Management and Business Continuity	Twice in three years
16.	Review Supply Chain Management and Contract Management Controls	Annually
17.	Review of Stakeholder and Communications Controls	Twice in three years
18.	Forensic investigations	adhoc
19.	Third party contract reviews	Twice in three years
20.	Probity audits on all tenders issued	Adhoc

Table 2: Estimated hours per year

Average Cost per hour Excluding Vat	Year 1	Year 2	Year 3
Estimated hours per year for the auditable areas	1600	1500	1400

- 10.12 No disbursements (Travelling and Accommodation) are to be included in the pricing as many of the audits will be expected to be executed remotely.
- 10.13 The total pricing should be based on average cost per hour excluding vat multiplied by the estimated hours as per table 2 above.
- 10.14 Vat should be shown separately and not included in the average cost per hour.

11. MINIMUM RESOURCES REQUIRED

- 11.1 Director/Partner X1**
- 11.2 Senior Internal Audit Manager/ Internal Audit Manager X1**
- 11.3 Supervisor/Senior Internal Auditor X2**
- 11.4 Internal Auditor X2**
- 11.5 Junior Internal Auditor X4**
- 11.7 IT Audit Specialists X1**
- 11.8 Forensic Audit Specialist X1**
- 11.9 Quality Assurance Manager X1**

12. ASSESSMENT/EVALUATION CRITERIA

12.1 Pre-Qualifying Criteria

- 12.1.1 Only bidders who have a valid Tax Pin or Tax Clearance Certificate will be assessed.
- 12.1.2 The latest audited financial statements for last two years are required.
- 12.1.3 Company profile which includes a list of internal audit clients in the last 5 years.
- 12.1.4 Valid and Original or Certified Copy of B-BBEE Status Level Verification Certificates issued by the following agencies SANAS, IRBA or CCA for companies with a total turnover of R50 million and above, or an affidavit obtainable from Department of Industry (DTI) website in the case of EME's or QSE's.
- 12.1.5 Proof of Partner/Director registration with a professional body, SAICA, IRBA, IIA SA, IRMSA, CISA, SAIPA etc.
- 12.1.6 External Quality Assessment Report on previous work conducted not older than 5 years.

12.2 Bid Evaluation Criteria

- 12.2.1 Evaluation of the bids will be conducted in two stages.
Stage One (1) will consist of the evaluation of bids on **Functionality/Technical Evaluation Criteria as per Table 3 below**. Bidders must score a minimum of 70 points to move to stage two (2).
- 12.2.2 **Stage Two (2)**, bidders who scored 70 and above will be requested to prepare a power point presentation to the Bid Adjudication Committee (BAC) for a duration of 15 to 20 min **in person/on-line (Teams)**.

12.3 Technical Evaluation

- 12.3.1 In order to facilitate a transparent selection process that allows for an equal opportunity to all bidders, SIOC-CDT has a Supply Chain Management policy that will be adhered to. Proposals will be technically evaluated in terms of the prevailing Supply Chain Management policy applicable to SIOC-CDT.
- 12.3.2 Bidders must score a minimum of **70 out of 100 points** on the Technical /evaluation criteria to be recommended to the Bid Adjudication Committee who will make the final decision based on **Technical Evaluation Score and Power Point presentation**.

Table 3 - Technical Evaluation Criteria

Ref	EVALUATION CRITERIA	WEIGHTING/ POINTS
1.	<p>Experience of the firm in the internal audit of PBO/Broad Based B-BBEE Trust and Investment Companies or similar e.g Project Based Community Non-profit Organisations/Project Implementing Organisations etc.</p> <ul style="list-style-type: none"> • 0 letters equal to 0 points • 1 letter equal to 2 points • 2 letters equal to 5 points • 3 letters equal to 10 points • 4 letters equal to 15 points • 5 letters equal to 25 points <p><i>A minimum of one contactable reference letter from PBO/Broad Based B-BBEE Trusts and Investment Companies or similar entities e.g Project Based Community Non-profit Organisations/Project Implementing Organisations etc to be provided with relevant services rendered not older than 5 years.</i></p> <p><i>A valid reference letter must include the following: Client letter heads with contactable details, contract period, clear description of services that was rendered and the positive endorsement of the quality of that service and be duly signed.</i></p>	25
2.	<p>Director/Partners experience X1</p> <p><i>Partner to have a CA (SA) and/or CIA qualification with an Honours degree in internal audit and membership with the IIA SA and relevant experience. CV to be attached including relevant certified copies of qualification and membership certificates.</i></p> <ul style="list-style-type: none"> • 6 - 9 years' experience (5) • 10 or more years' experience (10) <p>No proof of qualification and CV will score zero points</p>	10
3.	<p>Internal Audit Senior Manager/Manager experience X1</p> <p><i>Minimum qualification of a CA(SA) or CIA and membership with the IIA SA and relevant experience. CV to be attached including relevant certified copies of qualification and membership certificates.</i></p> <ul style="list-style-type: none"> • 6 - 9 years' experience (2.5) • 10 or more years' experience (5) <p>No proof of qualification and CV will score zero points</p>	5
4.	<p>Internal Audit Supervisor/Senior Internal Auditor experience X2</p> <p><i>Minimum qualification of an accounting or relevant degree (NQF level 7) with CIA or PIA certificates and membership with the IIA SA with relevant experience. CV to be attached including relevant certified copies of qualification and membership certificates.</i></p> <ul style="list-style-type: none"> • 3 - 5 years' experience (2.5) • 6 or more years' experience (5) 	5

	No proof of qualification and CV will score zero points	
5.	<p>Internal Auditors X2 <i>Minimum qualification of a diploma (NQF Level 6) with IAT and membership with IIA SA, CV to be attached including relevant certified copies of qualification and membership certificates.</i></p> <ul style="list-style-type: none"> • 1 - 2 years' experience (2.5) • 3 or more years' experience (5) <p>No proof of qualification and CV will score zero points</p>	5
	<p>Quality Assurance Manager experience X1 <i>Minimum qualification of a CA(SA) or CIA or Internal Audit Quality Assurer qualification and membership with the IIA SA and relevant experience. CV to be attached including relevant certified copies of qualification and membership certificates.</i></p> <ul style="list-style-type: none"> • 6 - 9 years' experience (2.5) • 10 or more years' experience (5) <p>No proof of qualification and CV will score zero points</p>	5
6.	<p>IT Audit Specialist experience X1 <i>Minimum qualification of an accounting or relevant degree (NQF level 7) with a CISA certification and membership with ISACA, with relevant experience. CV to be attached including relevant certified copies of qualification.</i></p> <ul style="list-style-type: none"> • 3 - 5 years' experience (2.5) • 5 or more years' experience (5) <p>No proof of qualification and CV will score zero points</p>	5
7	<p>Forensic Investigation Specialist experience X1 <i>Minimum qualification of a diploma (NQF Level 6), CFE certification and membership with ACFE, with relevant experience. CV to be attached including relevant certified copies of qualification.</i></p> <ul style="list-style-type: none"> • 3 - 5 years' experience (2.5) • 5 or more years' experience (5) <p>No proof of qualification and CV will score zero points</p>	5
8.	<p>Ability to provide quality Internal Audit Services</p> <p>1. Submission of a detailed internal audit methodology:</p> <ul style="list-style-type: none"> - Planning (1) - Execution (1) - Reporting methods (1) - Technology applied (3) <p>2. Submission of a detailed IT audit methodology:</p> <ul style="list-style-type: none"> - Planning (1) - Execution (1) - Reporting methods (1) - Technology applied (3) <p>3. Submission of a detailed risk management assurance audit methodology:</p> <ul style="list-style-type: none"> - Planning (1) - Execution (1) 	30

	<ul style="list-style-type: none"> - Reporting methods (1) - Technology applied (3) 4. Submission of a detailed fraud investigation audit methodology: - Planning (1) - Execution (1) - Reporting methods (1) - Technology applied (3) <i>No response (0)</i> <i>1 Partially compliance (0.5)</i> <i>2 Fully compliant (1)</i> <i>3. Use of technology demonstrated (3)</i> 5. Relevant 3 year rolling audit plan with timelines, audit objectives, including the minimum business processes/auditable areas as per table 1 above, hours, resources allocated per auditable area as per section 12 above. (6) <i>No response (0)</i> <i>1 Partially compliance (3)</i> <i>2 Fully compliant (6)</i> 	
9.	<p>Relevant value-added services that will enhance the internal control environment within the SIOC-CDT Group (5)</p> <ul style="list-style-type: none"> a. Contribution to combined assurance plan b. Ad hoc consulting services c. Resource availability d. Cyber Security or similar e. IT Forensic services f. Business or audit functionality improvement g. Ethics training h. Fraud awareness training i. OHS auditors j. Infrastructure project auditors K. Compliance specialists etc <ul style="list-style-type: none"> <i>No response (0)</i> <i>1 value added service (1)</i> <i>2 value added services (2)</i> <i>3 value added services (3)</i> <i>4 value added services (4)</i> <i>5 value added services (5)</i> 	5
TOTAL POINTS		100
MINIMUM THRESHOLD		70

12.4 Price and B-BBEE Evaluation Criteria

11.4.1 In order to facilitate a transparent selection process that allows an equal opportunity to all bidders, SIOC-CDT has a Supply Chain Management policy that will be adhered to. As in respect of technical evaluation criteria, proposals will also be evaluated in accordance with B-BBEE evaluation criteria in terms of the prevailing Supply Chain Management policy applicable to SIOC-CDT, from time to time.

Table 2 - Price and B-BBEE

Criteria	Weightings (>R1M)
Price	70
B-BBEE Scorecard (focusing on SMME and local talent development)	30
TOTAL	100

13 INSTRUCTIONS TO BIDDERS

13.1 Bidders are to ensure that they have adequate resources to undertake the project under stringent timeframes. It is accordingly recorded that by submitting a bid, the bidder undertakes and warrants that it has adequate resources, skills and know-how to undertake the completion of the project under the timeframes set out therefore.

14 PRICING

13.1 Prices should be based on the required scope of work in line with Table 1 and Table 2 above.

15 TERMS AND CONDITIONS

15.1 This invitation shall remain valid until the Closing Date, following which the invitation shall automatically lapse. SIOC-CDT shall be under no obligation to consider any proposals submitted after the Closing Date. SIOC-CDT reserves the right, under exceptional circumstances, to extend the closing date for bidders to submit proposals.

15.2 The bidder acknowledges that this RFP constitutes an invitation to submit offers and that the submission of a proposal shall constitute an offer which SIOC-CDT, shall in its sole and absolute discretion, notwithstanding anything to the contrary herein contained, be entitled to accept or reject. Only on the date of acceptance will a valid agreement be constituted between SIOC-CDT and the bidder in relation to the project.

15.3 The selection of the qualifying bid (proposals) will be at SIOC-CDT's sole discretion and SIOC-CDT reserves the right not to appoint the service provider and shall not necessarily be obliged to accept the offer of the highest scoring or most affordable quotation/proposal in accordance with the Supply Chain Management policy or otherwise.

15.4 The adjudication process does not represent a commitment on the part of the SIOC-CDT to proceed further with that quotation/proposal of the bidder or of any other bidder.

15.5 SIOC-CDT reserves the right to make changes on this RFP document. All changes will be communicated to those firms that have responded to this RFP. No reliance shall be placed on other information or comment from any other person

- 15.6 SIOC-CDT shall not be required to provide reasons for the acceptance or rejection of any quotation/proposal and no correspondence pertaining to submissions will be entertained.
- 15.7 If SIOC-CDT does not accept any quotation/proposal, it will declare this RFP call process closed and may then elect to:
- Not to appoint any bidder; and/or
 - Proceed on a completely different basis.
- 15.8 All proposals and all subsequent information received from bidders will not be returned, nor shall SIOC-CDT be responsible for the safe keeping of submissions or the keeping of records or copies in relation thereto.
- 15.9 SIOC-CDT will not accept any responsibility for costs incurred by bidders in preparing and submitting proposals.
- 15.10 SIOC-CDT reserves the right to engage in a process to validate all submissions or claims made in the proposal.
- 15.11 In addition to the provisions of clause 12 below, it is recorded that SIOC-CDT reserves the right to reject a quotation/proposal or cancel the award of the project, if it is determined (in the sole discretion of SIOC-CDT) that the supplier/service provider recommended for award, has engaged in or is associated with corrupt or fraudulent activities (as defined in clause 12 below).

16 CORRUPT AND FRAUDULENT ACTIVITIES

- 16.1 A key to the investment strategy of SIOC-CDT are the principles of transparency and ethics in its dealings with service providers and suppliers, to guard not only against reputational harm but also the tainting of the projects undertaken in accordance with the mission and object of SIOC-CDT.
- 16.2 Accordingly, the bidder, by submitting a proposal/quotation to SIOC-CDT hereby warrants and undertakes that the bidder and its current and former officers and employees:
- 16.2.1 have not been found guilty of any criminal offence involving fraud, theft and/or corruption or any other fraudulent practice, which for purposes hereof shall include a misrepresentation of facts in order to influence the selection process or the execution of a contract or collusive practices among bidders/contractors (prior to or after submission of proposals) designed to establish prices at artificial, non-competitive levels and contrary to the competition laws of the Republic of South Africa (collectively "**Corrupt and Fraudulent Activities**"); and
- 16.2.2 have at all times complied with all applicable anti bribery and anti-corruption laws (including any which have extra-territorial effect) and codes of practice ("**Anti-Corruption Laws**").
- 16.3 To the best of the bidder's knowledge and belief, each agent, representative or third-party that is or was authorised to act on behalf of the bidder ("**Business Intermediary**") has conducted its business relating to the bidder and past projects in compliance with all Anti-Corruption Laws

16.4 The bidder has instituted and maintained appropriate policies and procedures designed to ensure, and which are reasonably expected to continue to ensure, compliance by the bidder and its officers, employees and Business Intermediaries (for the time being) with all Anti-Corruption Laws.

16.5 The bidder irrevocably consents to SIOC-CDT and/or its agents doing a background check on the bidder and its officers, including the request for any information available on the bidder from any relevant institution, agency, bureaux or body.

17 CONFIDENTIALITY

17.1 Any information relating to the submissions, through the RFP process or otherwise shall be treated in strict confidence by SIOC-CDT.

18 PAYMENT STRUCTURE

18.1 SIOC-CDT undertakes to pay in full within thirty (30) days, all valid claims for work done to its satisfaction upon presentation of a substantiated claim/invoice.

18.2 Payments will only be made based on the work completed (milestones/ deliverables achieved) as per the project implementation plan to be agreed at the inception of the project.

19 GENERAL

19.1 Below are compulsory requirements for this service:

19.1.1 It is important to note that the successful bidder will work under the supervision of SIOC-CDT representative, abide by SIOC-CDT Code of Conduct and any other organisational guidelines as may be prescribed by SIOC-CDT from time to time.

19.1.2 Kindly submit the following documents:

- **Valid and Original or Certified Copy of B-BBEE Status Level Verification Certificates issued by the following agencies SANAS, IRBA or CCA for companies with a total turnover of R50 million and above, or an affidavit obtainable from Department of Industry and Competition (DTIC) website in the case of EME's or QSE's;**
- **The latest audited Financial Statements for last two years are required;**
- **Company profile which includes years of experience.**
- **SARS Tax Pin Number; and**
- **Supplier information sheet (as attached hereto).**

20 CONTACT DETAILS FOR INFORMATION

- 20.1 Further information regarding technical/functionality matters can be sent via email to:
mandlenkosi@sioc-cdt.co.za
- 20.2 Further information regarding supply chain matters can be sent via email to:
Email: kabelo.letsoalo@sioc-cdt.co.za

21 SUBMISSIONS OF PROPOSALS

- 21.1 Proposals, with portfolio/previous work, as indicated above, should be submitted to the below on or before the **10 OCTOBER 2023** by no later than **12:00: to scm@sioc-cdt.co.za cc kabelo.letsoalo@sioc-cdt.co.za**
- 20.2 Clearly indicate the name of the proposal when submitting the proposal:
RFP: Appointment of a Service Provider to Render Internal Audit Services for a Period Of Three Years (36 Months).
- 20.3 If you are not contacted within 10 days after submission of your proposal, then the proposal shall be deemed to have been unsuccessful.